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AAA-03-14246-11

April 10, 2001

VIA AIRBORNE EXPRESS AND E-MAIL

Mr. David L. Bennett
Director, Office of Airport Safety and Standards
U.S. Department of Transportation
Federal Aviation Administration
800 Independence Avenue, S.W.
Washington, D.C. 20591

DEPT OF TRANSPORTATION
03 JAN 17 PM 11:46

Re: New Orleans Lakefront Airport
Request for Extension of Time to Submit Final Application
for Participation in the Airport Privatization Pilot Program

Dear Mr. Bennett:

As previously advised, this office has the pleasure of representing the Board of Commissioners of the Orleans Levee District, the governing authority of the Orleans Levee District (District), which is the operator of the New Orleans Lakefront Airport. My client is in receipt of and thanks you for your letter of March 8, 2001 providing notice that the preliminary application for participation in the Airport Privatization Pilot Program submitted by the New Orleans Lakefront Airport has been accepted for review by the Federal Aviation Administration.

As noted in your letter of March 8th, the preliminary application provided that the District's final application would be submitted on or by May 9, 2001. For the following reasons, my client requests a formal extension of 90 days to file its final application for participation in the Airport Privatization Pilot Program.

Mr. David L. Bennett
U.S. Department of Transportation
Office of Airport Safety and Standards
April 10, 2001
Page 2

In early November, 2000 responses by prospective private operators were submitted in response to the Request for Proposals issued by the Orleans Levee District for a long-term lease of the New Orleans Lakefront Airport. Thereafter, with the assistance of the consultant retained by the Board, Infrastructure Management Group, Inc. (IMG), a review of the proposals submitted was conducted as well as related due diligence on the companies that submitted proposals. On December 4, 2000, IMG submitted a written report to the Airport Committee of the Orleans Levee Board regarding the proposals submitted.

At the Board's regularly scheduled meeting held on December 20, 2000, IMG briefed the Board on the proposals submitted; and, the Board adopted a Resolution that delegated to the Airport Committee of the Orleans Levee Board the authority to select a short list of bidders to continue discussions for a long-term lease of the New Orleans Lakefront Airport.

In January, 2001, the Staff of the Orleans Levee District, Real Estate Consultant for the Orleans Levee District, a local accounting firm and legal counsel along with IMG continued their review of the proposals submitted by the bidders. In addition, undersigned local counsel for the Orleans Levee District on January 19, 2001 submitted to Mr. Kevin Willis with the Department of Transportation, the requested advisory opinion from the Attorney General's Office of the State of Louisiana on the authority of the Board of Commissioners of the Orleans Levee District to lease the entirety of the New Orleans Lakefront Airport. This advisory opinion satisfied the final request of the Office of Airport Safety & Standards for consideration of the preliminary application submitted by the Orleans Levee District.

At a meeting of the Airport Committee of the Orleans Levee Board held in January of 2001, the Committee accepted the recommendation of IMG and selected TBI Airport Management, Inc. and American Airports Corporation for continued discussions for the proposed privatization. Shortly thereafter, the Committee requested IMG to invite the selected bidders to make oral presentations and respond to questions at a formal public hearing of the Airport Committee.

Mr. David L. Bennett
U.S. Department of Transportation
Office of Airport Safety and Standards
April 10, 2001
Page 3

Pursuant to this request by the Committee, IMG issued notice to these bidders, by letter dated on February 13, 2001, to participate in a public meeting to discuss their respective corporate qualifications, vision for the Airport and for clarifications of their technical and financial proposals. The public meeting was scheduled for March 6, 2001 at 8:30 a.m. at the District's offices in New Orleans, Louisiana.

The two finalists selected by the Committee made presentations to the Committee on their qualifications and proposals at the meeting on March 6, 2001. Following these presentations, additional questions were posed by the Board's staff and consultants, and as a result on March 30, 2001 IMG requested the bidders to submit their Best and Final Financial Proposals for a long-term lease of the New Orleans Lakefront Airport. The written notice submitted to the bidders established a deadline of 4:00 p.m. E.S.T. on Monday, April 9th for submission of these proposals. We were advised yesterday afternoon that both bidders submitted their final proposals per the request of IMG.

The Airport Committee of the Orleans Levee Board has scheduled a public meeting for Wednesday, April 18, 2001 at 1:00 p.m. C.S.T. to consider these proposals and make recommendations to the Board on selection of a bidder to commence negotiations. The Orleans Levee Board will consider the recommendations of the Committee at a special Board Meeting scheduled for May 1, 2001. At this meeting, the Board will select a bidder, or alternatively authorize parallel negotiations, and thereafter intends to commence negotiations for a long-term lease of the New Orleans Lakefront Airport in compliance with the statutory requirements of 49 U.S.C. §47134.


In view of the deadline of May 9, 2001 set forth in the preliminary application filed by the District, accordingly, additional time will be necessary to negotiate a long-term lease and submit a final application for participation in the Federal Airport Privatization Pilot Program. As set forth hereinabove, the Board has diligently and prudently pursued its effort to privatize the New Orleans Lakefront Airport, and earnestly desires to continue its effort to privatize the Airport under the Federal

Mr. David L. Bennett
U.S. Department of Transportation
Office of Airport Safety and Standards
April 10, 2001
Page 4

Airport Privatization Pilot Program. Although the Draft Lease Agreement has already been thoroughly developed by counsel for the OLD, considering comments made by the bidders at and after the meeting held on March 6th, it has become apparent that negotiations will not be relatively brief, as your office was previously advised by Mr. Steckler with IMG on February 8, 2001. After discussions with the Board's consultant and counsel in Washington, D.C., it is now estimated that the District will need an additional 90 days to submit its final application, which would extend the deadline through August 9, 2001. Therefore, the District hereby requests this extension of time and would appreciate your approval of this requested extension to file a final application to participate in the Federal Airport Privatization Pilot Program.

If you need any additional information to consider this request, please do not hesitate to contact me at your convenience.

Sincerely,



GERARD G. METZGER

GGM/scd

cc: Mr. Kevin Willis, U. S. Dept. of Transportation
Steve Steckler, President, IMG, Inc.
J. E. Murdock, III, Esq., Shaw Pittman
Hon. James P. Huey, President, OLD
Hon. Gen. James E. Livingston, Commissioner, OLD
Hon. Robert E. Smith-Lupo, Commissioner, OLD
Hon. Marlin N. Gusman, Commissioner, OLD
Hon. Patricia W. Harris, Commissioner, OLD
Max L. Hearn, Executive Director, OLD
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